

BlackRock European Fund

As at 31 October 2019

BLACKROCK

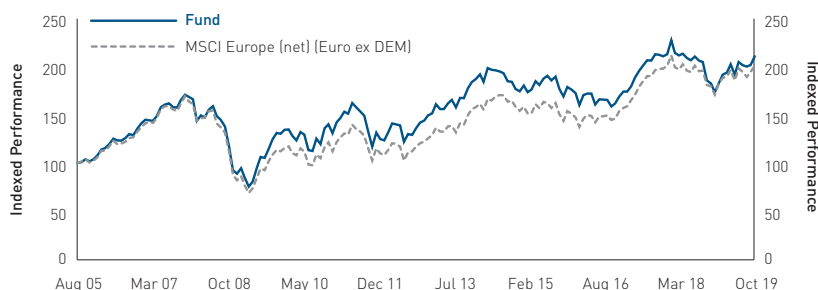
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment in a Fund may involve a high degree of risk and may not be suitable for all investors. Past performance is not indicative of future results. The value of a Fund can be volatile and could go down substantially within a short period of time. It is possible that the entire amount of your investment could be lost.
- Funds which invest in emerging markets, specific markets or sectors should be regarded as higher risk than funds following a more diversified policy. Please pay attention to the "Special Risk Considerations" section in the Prospectus for risks associated with investing in emerging markets, specific markets or sectors.

A-Share Cumulative Performance in USD

	YTD	6 Months	1 Year	3 Years	5 Years	Since Launch
	%	%	%	%	%	%
Fund	21.5	4.1	13.4	22.9	8.9	409.2
MSCI Europe (net)	17.4	2.2	10.9	29.1	19.2	469.9

A-Share Calendar Year Performance in USD

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	-18.5	+21.4	-8.5	-0.4	-9.7	+26.9	+22.7	-13.2	+5.4	+42.6	-43.0	+14.6	+34.3
MSCI Europe (net)	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8	-46.4	+13.9	+33.7



Fund Data

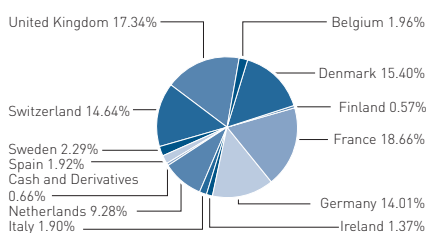
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,243.8
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

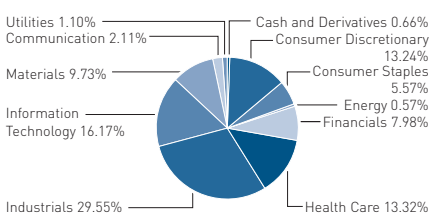
SAP SE	5.9
SAFRAN SA	5.8
LVMH MOET HENNESSY LOUIS VUITTON SE	5.4
SIKA AG	5.1
RELX PLC	4.9
ASML HOLDING NV	4.6
NOVO NORDISK A/S	4.5
LONZA GROUP AG	4.4
ADIDAS AG	4.1
ROYAL UNIBREW A/S	4.1
Total	48.8

Composition of Fund

Country



Sector



Investment Objective

The European Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe.

Fund Manager's Report

Performance Overview:

- European markets in October started to incorporate a bottoming of economic activity, going up 0.9% (EUR), with a risk-on undertone with cyclical outperforming defensives. Sector leadership came from real estate, consumer discretionary and industrials, while consumer staples, energy and communication services saw the weakest returns.
- The fund outperformed the rising market. Strong sector allocation was the main driver for performance, while stock selection was also positive.

Sectors:

- The fund benefitted from its exposure to real world cyclicals. In particular, an overweight allocation to the industrials sector contributed to returns, as did an overweight to the IT sector.
- Our underweight to defensive areas of the market, such as consumer staples, utilities and communication services was positive as investors turned more optimistic given a stable earnings season and hopes for movement in terms of trade negotiations.
- An underweight allocation to energy was also beneficial. However, an underweight to financials was negative for returns.

Stocks:

- The technology sector was the largest contributor to relative returns. In particular the semiconductor's performed strongly, with STMicroelectronics and ASML being amongst the top contributors to returns. STM reported sales up by 17% quarter-on-quarter, driven by its exposure to smart phones and sensors while the auto division remained slightly weaker.
- A position in SAP performed strongly on very good Q3 numbers. Europe's most valuable tech company reported an increase of 38% in new cloud bookings over the quarter as well as cloud revenue growing by 37% year-over-year. The company confirmed its guidance for double-digit growth this year and will be returning substantial amounts of cash to its shareholders via share buybacks next year.
- Chemicals group Sika was the top individual performer over the month, printing year-to-date sales and EBIT ahead of consensus and reiterating full-year sales targets. Sika saw positive growth in all regions and have announced investment in new capacity. Importantly to us, organic growth improved significantly during the third quarter after the company had seen weaker second quarter organic revenue growth due to the group's auto sector exposure. Sika remains a core holding in the portfolio.
- The fund's luxury exposure also contributed to returns. LVMH posted very strong Q3 numbers with the group's largest division, fashion and leather goods, which houses the key Louis Vuitton and Dior brands, growing 19% over the quarter. Wine and spirits as well as perfumes and cosmetics further contributed to the strong results. Growth in Asia continued to be strong despite the ongoing Hong Kong protests.
- Elsewhere, not owning defensive assets such as Nestle, Anheuser Busch Inbev, Novartis and Danone was also positive for performance. Within this context, the fund's position in Royal Unibrew was the largest detractor as the stock declined with other defensive assets. However, we do not believe that there are any stock specific issues with Royal Unibrew and it remains a large holding in the fund.
- Safran also traded slightly lower which dented performance given its large active position in the fund. However, quarterly results have come in healthy and we believe the company is well set for further upgrades.
- Elsewhere, not owning car manufacturer Daimler detracted as it performed well, along with the auto sector, on a more positive trade rhetoric. However, we remain cautious as we believe the auto sector does not only suffer slowing demand from one of its main markets China but also has to significantly invest in R&D around electric and hybrid vehicles in order to meet EU emissions regulations by 2021.

Changes:

- Within industrials, we completed our sale of Thales, having been reducing over the course of the year. The shares have contributed strongly to fund returns over a multi-year period but a combination of execution issues, plus insufficient upside, led us to reallocate capital elsewhere.
- We built up a position in UK name Auto Trader which we believe is a resilient and high returning business, demonstrating its quality characteristics more recently, posting strong profit growth despite weak end markets.
- Within real estate, we sold out of Deutsche Wohnen. The shares remain cheap on a NAV basis but with uncertainty regarding the "Mietspiegel" (rent controls) likely to persist for some time we felt there were better uses of portfolio capital.

Positioning:

- At the end of the month, the fund was overweight industrials, IT, consumer discretionary and materials.
- The fund was underweight financials, energy, consumer staples, communication services, utilities, real estate and health care.

The Fund investment objective was changed on 20 June 2008.

Effective 28 April 2008, Merrill Lynch International Investment Funds (MLIIF) changed its name to BlackRock Global Funds (BGF). Prior to such date the Fund was known as MLIIF European Fund.

BlackRock European Fund is the abbreviated name of BlackRock Global Funds - European Fund.

Effective 1 July 2002, Mercury Selected Trust (MST) changed its name to Merrill Lynch International Investment Funds (MLIIF). Prior to such date the Fund was known as MST European Fund.

Sources: BlackRock Investment Management (UK) Limited and Datastream. Performance is shown as at 31 October 2019 in US\$ on a NAV to NAV price basis with income reinvested. Fund performance figures are calculated net of fees. The above Fund data is for information only.

Investment involves risk. Past performance is not necessarily a guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. The investment returns are denominated in Euro. US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/Euro exchange rate. Investors may not get back the amount they invest. Individual stock price/figure does not represent the return of the Fund. For Hong Kong investors, please refer to the BGF Prospectus for details, including risk factors. Issued in Hong Kong by BlackRock (Hong Kong) Limited.

This advertisement (or sales material) has not been reviewed by the Securities and Futures Commission of Hong Kong.

In Singapore, this information is issued by BlackRock Investment Management (Singapore) Limited. For the purposes of distribution in Singapore, this document forms part of the prospectus for BGF (which is an information memorandum as defined in the Securities and Futures Act). In Singapore, the fund referred to in this document may be offered to institutional investors under section 304 and accredited investors under section 305 of the Securities and Futures Act only.

BlackRock (Hong Kong) Limited

Address: 16/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Tel: +852 3903 2800 Fax: +852 3903 2900 Website: <http://www.blackrock.com.hk>

貝萊德歐洲基金

截至 2019年10月31日止



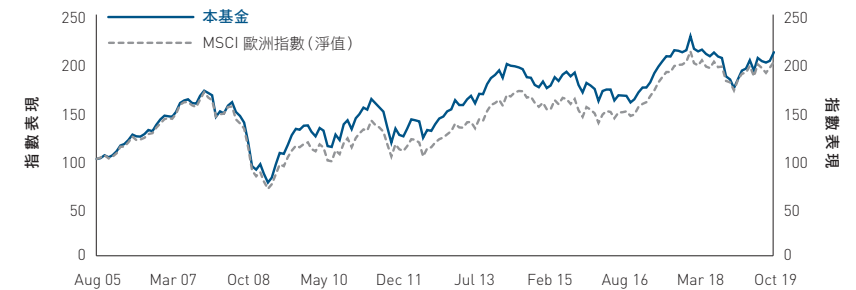
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

A 股基金累積表現 (美元)

	年初至今 %	六個月 %	一年 %	三年 %	五年 %	成立至今 %
本基金	21.5	4.1	13.4	22.9	8.9	409.2
MSCI歐洲指數 (淨值)	17.4	2.2	10.9	29.1	19.2	469.9

A 股基金年度表現 (美元)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
本基金	-18.5	+21.4	-8.5	-0.4	-9.7	+26.9	+22.7	-13.2	+5.4	+42.6	-43.0	+14.6	+34.3
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基金資料

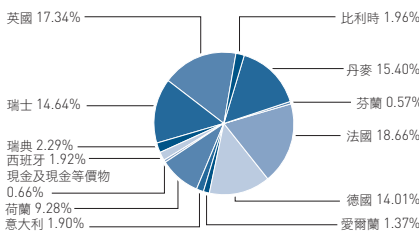
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,243.8
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

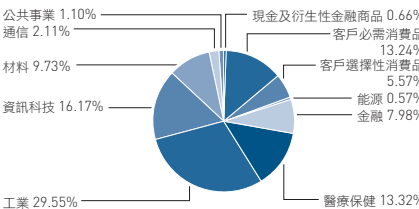
SAP SE	5.9
SAFRAN SA	5.8
LVMH MOET HENNESSY LOUIS VUITTON SE	5.4
SIKA AG	5.1
RELX PLC	4.9
ASML HOLDING NV	4.6
NOVO NORDISK A/S	4.5
LONZA GROUP AG	4.4
ADIDAS AG	4.1
ROYAL UNIBREW A/S	4.1
總計	48.8

基金投資分佈

國家



行業



投資目標

貝萊德歐洲基金以盡量提高總回報為目標。基金將總資產至少70%投入於在歐洲註冊或從事大部分經濟活的公司之股權證券。

基金經理報告

表現概述

- 歐洲市場在10月份上升0.9% (以歐元計)，開始反映經濟活動見底，投資者採取逢低立場，促使短期股表現優於防守性股。行業方面，房地產、非必需消費品和工業表現領先，而非必需消費品、能源和通訊服務業的回報最弱。
- 基金表現優於正在走高的市場。行業配置強勁是推動表現的主因，選股策略亦利好表現。

行業

- 實質環球週期股持倉使基金表現受惠。具體而言，基金對工業和資訊科技業持倉高比重為回報帶來貢獻。
- 企業公佈盈利表現平穩，加上中美貿易談判有望取得進展，促使投資者更趨樂觀，基金對防守性股 — 包括非必需消費品、公用事業和通訊服務業 — 持倉偏低因而利好表現。
- 基金對能源業持倉低比重亦令表現受惠，但對金融業持倉低比重則削弱回報。

股票

- 科技業最有利相對回報，當中半導體股表現尤其強勁，意法半導體 (STMicroelectronics) 和艾司摩爾 (ASML) 屬最有利回報的持倉之列。意法半導體公佈銷售按季增長17%，主要受惠於旗下智能電話和感測器業務，而汽車業務表現仍稍為較弱。
- SAP第三季業績非常亮麗，帶動持倉表現強勁。這家歐洲最具價值的科技公司公佈新增雲端訂單按季增長38%，雲端業務收益亦按年增長37%，並確認今年盈利增長達雙位數的指引。有關盈利將於明年以股份回購的方式，向股東回購大額現金。
- 化工集團西卡 (Sika) 是月內表現最佳的個股，該公司的年初至今銷售和息稅前利潤均超出普遍預期，並重申全年銷售目標。西卡在所有地區均取得正面增長，並宣佈將投資於擴充產能。對我們而言，重點是該集團的汽車業務使其第二季內部收益增長減弱後，第二季內部增長顯著改善。西卡仍然是投資組合的核心持倉。
- 基金的高檔消費品持倉亦利好回報。LVMH集團公佈第三季業績非常強勁，集團的最大分部時裝與皮革產品於季內增長19%，該分部涵蓋集團旗下的主要品牌路易威登 (Louis Vuitton) 和Dior。此外，酒類、香水和化妝品進一步帶動上述強勁業績。雖然香港抗議活動持續，但亞洲市場增長仍然強勁。
- 其他方面，基金並無持有雀巢 (Nestle)、百威英博 (Anheuser-Busch InBev)、諾華 (Novartis) 和達能 (Danone) 等防守性資產亦利好表現。在此環境下，Royal Unibrew成為最利淡基金表現的持倉，因為該股跟隨其防守性資產下跌。然而，我們認為Royal Unibrew不存在任何個股風險，因此仍為基金主要持倉之一。
- 賽峰 (Safran) 在基金佔重龐大，但該股亦告微跌，因而削弱基金表現。然而，賽峰的季度業績強健，我們相信該公司已穩佔優勢，評級可望進一步提升。
- 其他方面，並無持有汽車製造商戴姆勒 (Daimler) 令表現受累，因為貿易局勢轉趨正面，使該公司跟隨汽車業一同造好。然而，我們仍然保持審慎，因為我們認為汽車業不但受累於中國這個主要市場的需求放緩，還須大幅投資於研發電動車和混合汽車，以在2021年符合歐盟排放法規。

變化

- 工業方面，經過年內一直減持後，我們完成沽售泰雷 (Thales) 的持倉。該股多年來為基金回報帶來強大貢獻，但公司出現行政問題，而且上行空間有限，促使我們把資金調配至其他持倉。
- 我們新增英國Auto Trader的持倉。我們認為該公司的業務性質強勁和回報可觀。雖然終端市場疲弱，但該公司近日仍錄得強勁利潤增長，足以顯示其業務強勁。
- 房地產方面，我們悉數沽售Deutsche Wohnen的持倉。雖然該股股價相對資產淨值仍然便宜，但鑑於當地租金管制 (Mietspiegel) 帶來的不明朗因素可能持續一段時間，我們認為轉投其他持倉可更善用投資組合資金。

配置

- 基金於月底對工業、資訊科技、非必需消費品和原材料業持倉高比重。
- 基金對金融、能源、基本消費品、通訊服務、公用事業、房地產和醫療保健業持倉低比重。

基金的投資目標於 2008 年 6 月 20 日已被更改。

於 2008 年 4 月 28 日，美林國際投資基金已更名為貝萊德全球基金。在上述日期前，此基金名為美林歐洲基金。

貝萊德歐洲基金乃貝萊德全球基金、歐洲基金之簡稱。

於 2002 年 7 月 1 日，水星 MST 基金已更名為美林國際投資基金。在上述日期前，此基金名為水星 MST 歐洲基金。

資料來源：BlackRock Investment Management (UK) Limited 及 Datastream。基金表現截至 2019 年 10 月 31 日為止，以美元按資產淨值比資產淨值基礎計算，將收入再作投資。基金表現數據的計算已扣除費用。上述基金表現僅作參考之用。

投資涉及風險。過往業績並不代表將來的表現，基金價格及其收益可升可跌，並不能保證。投資收益以歐元計算。因此，以美元 / 港元作出投資的投資者，需承受美元 / 港元 / 歐元兌換率的波動的風險。投資者可能無法取回原本投資金額。個別股票價格並不代表本基金的回報。香港投資者欲知有關詳情，請參考貝萊德全球基金章程，包括風險成份。資料由貝萊德 (香港) 有限公司所發佈。

此廣告 (或銷售資料) 並未被香港證監會所審閱。

在新加坡，資料由 BlackRock Investment Management (Singapore) Limited 所發佈。在新加坡分銷本基金，此文件將被納入為貝萊德全球基金售股章程的一部份 (即證券及期貨條例所定義的資料備忘錄)。

在新加坡，此文件所提及的基金只可售予證券及期貨條例第 304 條定義的機構投資者及第 305 條定義的認可投資者。

貝萊德 (香港) 有限公司

地址：香港中環皇后大道中 2 號長江集團中心 16 樓

電話：+852 3903 2800 傳真：+852 3903 2900 網址：http://www.blackrock.com.hk